

## EXHIBIT B

W&S Draft  
2/5/09

February \_\_\_\_, 2009

City of Austin, Texas  
Municipal Building  
124 West Eighth Street  
Austin, Texas 78701  
Attention: \_\_\_\_\_

**RE: \$28,000,000 CITY OF AUSTIN, TEXAS  
AIRPORT SYSTEM VARIABLE RATE REVENUE NOTES, SERIES A**

Ladies and Gentlemen:

This letter constitutes the letter agreement (the "*Letter Agreement*") referred to in that certain Letter of Credit and Reimbursement Agreement, dated as of February 1, 2009 (the "*Reimbursement Agreement*"), by and between the City of Austin, Texas (the "*City*"), and State Street Bank and Trust Company (the "*Bank*"), in connection with the agreement by the Bank to issue its letter of credit in support of the above-referenced Notes (the "*Notes*"). The fees due and payable to the Bank are set forth herein and, in each case, shall be paid solely from Net Revenues. Terms used in this Letter Agreement and not otherwise defined herein have the definitions given such terms in the Reimbursement Agreement.

1. The City hereby agrees to pay the Bank, on or prior to the Effective Date, a nonrefundable up-front fee of \$\_\_\_\_\_.

2. The City hereby agrees to pay to the Bank a nonrefundable commitment fee (the "*Commitment Fee*") with respect to the Letter of Credit at the rate per annum set forth below (the "*Commitment Fee Rate*") for the period commencing on the Effective Date through the Expiration Date on the average daily amount of the Letter of Credit Amount of the Letter of Credit during each period in respect of which payment is made. The applicable Commitment Fee Rate for any period shall be determined on the basis of the publicly announced rating ("*Credit Rating*") assigned by S&P during such period with respect to the long-term rating of the Bonds or the Revenue Bonds (without giving effect to any credit enhancement) as follows:

<u>Credit Rating</u> (S&P)	<u>Commitment Fee Rate</u>
A- or better	1.75%
BBB+	1.90%
BBB	2.05%
BBB-	2.20%

Each change in the Commitment Fee Rate resulting from a change in the Credit Rating shall become effective on the date of announcement or publication by S&P of a change in

such rating or, in the absence of such announcement or publication, on the effective date of such changed rating. In the event that the Credit Rating assigned by S&P has been suspended or withdrawn or S&P shall have lowered its long-term credit rating of the Bonds or such Revenue Bonds to below "BBB-", the Commitment Fee then in effect will automatically increase by 1.00% per annum on the date that any such rating is publicly withdrawn or suspended by S&P or such rating downgrade occurs, without notice to the City, which notice is hereby waived. Upon the occurrence and during the continuance of an Event of Default (other than as described in the preceding sentence), the Commitment Fee then in effect will automatically increase by 2.00% per annum on the date that such Event of Default occurs, without notice to the City, which notice is hereby waived, and such increased Commitment Fee shall be payable until the event which caused such Event of Default is cured or the Letter of Credit otherwise terminates. Such Commitment Fee shall be payable in immediately available funds quarterly in arrears (each such payment to be computed on the basis of a year of 360 days and the actual number of days elapsed) in respect of the Letter of Credit Amount of the Letter of Credit from time to time in effect, payable on the first Business Day of each April, July October and January occurring thereafter through the Expiration Date, commencing on April 1, 2009. If the Letter of Credit is terminated in its entirety, all accrued Commitment Fees shall be payable to the Bank on the effective date of such termination. The Bank shall timely provide quarterly invoices to the City for amounts owing under this Letter Agreement, but delivery or receipt of, or failure of delivery or receipt of, any such invoice shall not affect the City's payment obligations hereunder.

3. The City hereby agrees to pay, per drawing, to the Bank, a draw fee equal to \$250 with respect to each drawing on the Letter of Credit, payable monthly in arrears, commencing on March 1, 2009.

4. The City hereby agrees to pay to the Bank on the date of the appointment of any successor Trustee, a transfer fee of \$5,000, plus the reasonable fees of any legal counsel retained by the Bank in connection therewith.

5. The City hereby agrees to pay to the Bank, (i) in connection with the written request by the City of any amendment, supplement, modification, consent or waiver to the Reimbursement Agreement or any other Financing Documents, and (ii) in connection with any extension of the Stated Expiration Date of the Letter of Credit, a non-refundable amendment fee of \$5,000, plus the reasonable fees of any legal counsel retained by the Bank in connection therewith.

6. In the event that the Letter of Credit is terminated by or on behalf of the City on or prior to August \_\_, 2010, the City agrees to pay to the Bank, a non-refundable termination fee (the "*Termination Fee*"), payable on such termination date, equal to the difference between (x) Commitment Fees that would have been payable to and including August \_\_, 2010 to the Bank on the basis of the Letter of Credit Amount of the Letter of Credit in effect on the termination date and (y) the actual amount of Commitment Fees already paid by the City to the Bank with respect to such Letter of Credit Amount of the Letter of Credit prior to such termination date (measured at the time of such termination).

7. On the Effective Date, the City agrees to pay to Winston & Strawn LLP, counsel to the Bank, the fees of such counsel in the amount of \$\_\_\_\_\_, plus disbursements.

THIS LETTER AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW; *PROVIDED, HOWEVER*, THE OBLIGATIONS OF THE CITY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE. This Letter Agreement may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Letter Agreement shall become effective when both of the following shall have occurred: (i) each party hereto shall have received a counterpart hereof duly executed by the other party hereto and (ii) the Effective Date shall have occurred.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

Very truly yours,

STATE STREET BANK AND TRUST  
COMPANY, as the Bank

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Agreed:

CITY OF AUSTIN, TEXAS

By: \_\_\_\_\_  
Its: \_\_\_\_\_